

PROGRESSIVE EDUCATION PROGRAM, INC.

FINANCIAL REPORT

JUNE 30, 2001

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/2/02

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BROUSSARD, POCHÉ, LEWIS & BREAUX, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

122 East 5th St.
P.O. Drawer 307
Crowley, Louisiana
70527-0307
phone: (337) 783-0650
fax: (337) 783-7238

Independent Accountants' Report

Other Offices:

Lafayette, LA
(337) 988-4930
Opelousas, LA
(337) 942-5217
Abbeville, LA
(337) 898-1497
New Iberia, LA
(337) 364-4554
Church Point, LA
(337) 684-2855

Eugene C. Gilder, CPA*
Donald W. Kelley, CPA*
Herbert Lemoine II, CPA*
Frank A. Stagno, CPA*
Scott J. Broussard, CPA*
L. Charles Abshire, CPA*
Kenneth R. Dugas, CPA*
P. John Blanchet III, CPA*
Stephen L. Lambousy, CPA*
Craig C. Babineaux, CPA*
Peter C. Borrello, CPA*
George J. Trappey III, CPA*
Gregory B. Milton, CPA*
S. Scott Soileau, CPA*
Patrick D. McCarthy, CPA*
Martha B. Wyatt, CPA*
Troy J. Breaux, CPA*
Fayette T. Dupré, CPA*
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Geraldine J. Wimberley, CPA* 1995
Rodney L. Savoy, CPA* 1996
Larry G. Broussard, CPA* 1996
Lawrence A. Cramer, CPA* 1999
Michael P. Crochet, CPA* 1999

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Certified Public Accountants
Society of Louisiana Certified
Public Accountants

To the Board of Directors of Progressive Education Program, Inc.

We have compiled the accompanying statement of financial position of Progressive Education Program, Inc. (a nonprofit organization) as of June 30, 2001, and the related statements of activities, and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Organization's financial position, changes in net assets, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Broussard, Poche, Lewis & Breaux LLP

**Crowley, Louisiana
November 7, 2001**

Progressive Education Program, Inc
Statement of Financial Position
As of June 30, 2001

See Accountants' Compilation Report

Assets

Current assets:

Cash - unrestricted	\$ 6,891
Grants receivable	28,908
Other receivables	<u>979</u>
Total current assets	<u>\$ 36,778</u>

Equipment and software:

Furnitures and fixtures, at cost	\$ 68,144
Computer software, at cost	<u>43,513</u>
Total	\$ 111,657
Less: Accumulated depreciation	<u>(78,314)</u>
Total equipment and software	<u>\$ 33,343</u>

Total assets	<u><u>\$ 70,121</u></u>
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Liabilities and Net Assets

Current liabilities:

Accounts payable	\$ 11,630
Payroll taxes payable	<u>748</u>
Total current liabilities	<u>\$ 12,378</u>

Total liabilities	<u>\$ 12,378</u>
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Net assets:

Unrestricted	\$ 50,226
Permanently restricted	<u>7,517</u>
Total net assets	<u>\$ 57,743</u>

Total liabilities and net assets	<u><u>\$ 70,121</u></u>
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Progressive Education Program, Inc
Statement of Activities
For the Year Ended June 30, 2001

See Accountants' Compilation Report

Changes in unrestricted net assets:

Revenue:

Grant income - governmental	\$ 266,360
Other income and donations	<u>22,670</u>
Total revenue	<u>\$ 289,030</u>

Expenses:

General and administrative expenses	\$ 35,562
Adult education - basic literacy	7,056
Cajun Heartland - School to work program	1,237
GED - find work	89,961
Vocational education - find work	<u>150,328</u>
Total expenses	<u>\$ 284,144</u>

Increase in unrestricted net assets	<u>\$ 4,886</u>
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Changes in permanently restricted net assets

Grant income - governmental (assets acquired)	\$ 1,500
Depreciation expense	<u>(2,741)</u>

Decrease in permanently restricted net assets	<u>\$ (1,241)</u>
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Increase in net assets	\$ 3,645
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Net assets at the beginning of the year	<u>54,098</u>
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Net assets at the end of the year	<u><u>\$ 57,743</u></u>
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Progressive Education Program, Inc
Statement of Cash Flows
For the Year Ended June 30, 2001

See Accountants' Compilation Report

Cash flows from operating activities:

Change in net assets	\$ <u>3,645</u>
Adjustments to reconcile changes in net assets to net cash provided by (used by) operating activities:	
Depreciation expense	\$ 11,335
(Increase) decrease in grants receivable	(5,541)
(Increase) decrease in other receivables	(979)
Increase (decrease) in accounts payable	10,650
Increase (decrease) in payroll taxes payable	<u>(1,259)</u>
Total adjustments	\$ <u>14,206</u>
Net cash provided by operating activities	\$ <u>17,851</u>

Cash flows from investing activities:

Payments for the purchase of property - Adult Education	\$ (1,500)
Payments for the purchase of property - Cajun Heartland	(18,754)
Payments for the purchase of property - Other	<u>(2,901)</u>

Net cash used by investing activities \$ (23,155)

Net decrease in cash and cash equivalents \$ (5,304)

Cash at the beginning of the year 12,195

Cash at the end of the year \$ 6,891



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**Independent Accountants' Report
On Applying Agreed-Upon Procedures**

To the Board of Directors of
Progressive Education Program, Inc.

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to the by management of Progressive Education Program, Inc., and the Legislative Auditor, State of Louisiana, to assist the users in evaluating management's assertions about Progressive Education Program, Inc.'s compliance with certain laws and regulations during the year ended June 30, 2001 included in the Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Federal, State and Local Awards

1. Determine the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Progressive Education Program, Inc.'s Federal award expenditures for all Federal programs for the fiscal year follow:

Federal Grant Name	Grant Year	CFDA No.	Amount
Adult Education -- State Grant Program	7/1/00 to 6/30/01	84.002	\$65,939
Temporary Assistance For Needy Families	7/1/00 to 6/30/01	93.558	\$110,160

2. For each Federal, state and local award, we randomly selected 6 disbursements from each award administered during the period under

To the Board of Directors,
Progressive Education Program, Inc.

examination, provided that no more than 30 disbursements would be selected.

3. For the items selected in procedure 2, we traced the disbursements to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the selected disbursements and found that the payment was for the proper amount and made to the correct payee.

4. For the items selected in procedure 2, we determined if the disbursements were properly coded to the correct fund and general ledger account.

During our examination of the invoices for the disbursements selected above all of the disbursements were properly coded to the correct fund/class and general ledger account.

5. For the items selected in procedure 2, we determined whether the disbursements received approval from proper authorities.

Inspection of documentation supporting each of the disbursements selected revealed that the general ledger account and fund/class to be billed was indicated on the invoice. In addition examination of a sample of canceled checks indicated that a supervisor signed all checks.

6. For the items selected in procedure 2: For Federal awards, we determined whether the disbursements complied with the applicable specific program compliance requirements summarized in the *Compliance Supplement* (or contained in the grant agreement, if the program is not included in the *Compliance Supplement*) and for state and local awards, we determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed and unallowed:

All disbursements selected for review complied with the allow ability requirements of the respective grants.

Eligibility

All disbursements selected for review complied with the eligibility requirements of the respective grants.

Reporting

All disbursements selected for review complied with the reporting requirements of the respective grants.

To the Board of Directors,
Progressive Education Program, Inc.

7. For the programs selected for testing in item (2) that had been closed out during the period under review, we compared the closeout report, when required, with the entity's financial records to determine whether the amounts agree.

The disbursements selected included one Federal program that was closed out during the period under review and for which a close out report is required to be filed. We compared the closeout report for this Federal program with the entity's financial records. The amounts reported on the closeout reports agreed to the entity's financial records.

Meetings

8. We examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Progressive Education Program, Inc. is only required to post a notice of each meeting and the accompanying agenda on the door of the Progressive Education Program, Inc.'s office building. Although management has asserted that they have made granting agencies aware of meeting times and dates, they indicated that they had not posted a notice of each meeting and the accompanying agenda on the door of the program's office building.

Comprehensive Budget

9. For all grants exceeding five thousand dollars, we determined that each applicable federal, state or local grantor agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Progressive Education Program, Inc provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans identifying specific goals and objectives that included measures of performance.

Prior Comments and Recommendations

10. We reviewed any prior year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

To the Board of Directors,
Progressive Education Program, Inc.

In reviewing the prior year's audit report done by another CPA firm, there were no findings noted.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Progressive Education Program, Inc., the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Broussard, Poche, Lewis & Breaux LLP

Crowley, Louisiana
November 7, 2001

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Entities)

Sept. 17, 2001 (Date Transmitted)

Broussard, Poche', Lewis & Breaux, L. L. P.
122 E. Fifth Street
P. O. Drawer 307
Crowley, Louisiana 70527-0307 (Auditors)

In connection with your compilation of our financial statements as of June 30, 2001 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representation). June 30, 2001.

Federal, State, and Local Awards

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes ☒ No ☐

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes ☒ No ☐

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes ☒ No ☐

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes ☒ No ☐

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Yes ☒ No ☐

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes ☒ No ☐

Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

Denver C. Mark Secretary September 15, 2001 Date

Thyld D. Baseman Treasurer September 15, 2001 Date

Margaret N. Richards President September 15, 2001 Date

Progressive Education Program, Inc.

Schedule of Prior Year Findings
For the Year Ended June 30, 2001

See Accountants' Compilation Report

Section I: Internal Control and Compliance Material to the Financial Statements

N/A

Section II: Internal Control and Compliance Material to Federal Awards

N/A

Section III: Management Letter

N/A

Progressive Education Program, Inc.

Management's Corrective Action Plan
Year Ended June 30, 2001

Section I: Internal Control and Compliance Material to the Financial Statements

2001-1: Finding: Progressive Education Program, Inc did not fully comply with provisions regarding the open meetings law by not properly posting a notice and agenda of upcoming board meetings to be held.

Recommendation: It is our recommendation that management ensure that notices and agendas for upcoming meetings are properly posted on the office door as to inform the public of upcoming meetings and items to be addressed.

Response: We were unaware of the requirement that we must post notices and agendas of upcoming meetings on the door of our principal place of business.

Corrective Action: Beginning with the meeting held on October 9, 2001 we posted the notice and agenda on the door of our office several days before the board meeting and will continue to do so for all future meetings.

Section II: Internal Control and Compliance Material to Federal Awards

Not Applicable.

Section III: Management Letter

Not Applicable.

Signed: Peter Louanne Lundy, SSND

Date: 12/10/01